



TOWN OF MIDDLEBOROUGH OFFICIAL MEETING POSTING

NAME OF PUBLIC BODY: Board of Selectmen/Rent Board

DAY AND DATE OF MEETING: Wednesday, April 25, 2012

TIME OF MEETING: 7:00 PM

LOCATION OF MEETING (INCLUDING ADDRESS): Town Hall, 10 Nickerson Avenue

MEMBER OF PUBLIC BODY POSTING MEETING: Jackie Shanley, Confidential Secretary to Board of Selectmen

POSTED BY TOWN CLERK'S OFFICE: Rec. April 19, 2012 @ 2:30 pm *JL*

***FOR CANCELLATIONS**

MEMBER OF PUBLIC BODY CANCELLING MEETING: [Type text]

CANCELLATION POSTED BY TOWN CLERK'S OFFICE: DATE:

TIME:

AGENDA

1. Pledge of Allegiance
2. Hearings, Meetings, Licenses
7:00 PM Public Hearing re Hillcrest MHC LLC's Petition for Rent Increase.
3. Adjourn

**Middleborough Board of Selectmen
Meeting Minutes**

Wednesday, April 25, 2012

Chairman opened meeting at 7 PM.

In attendance were: Selectmen A. Rullo, A. Frawley, B. Quelle, and S. McKinnon, Town Manager C. Cristello, Confidential Secretary J. Shanley, and Town Counsel D. Murray.

Chairman announced meeting was being recorded by MCCAM and would be aired at a later date.

Chairman announced that devices were available for use by the hearing impaired.

Board's Confidential Secretary opened public hearing at 7:10 PM on Petition filed by Hillcrest MHC LLC for consideration of rent increase by reading aloud the public hearing notice.

Chairman read aloud the procedures for the Rent Control Hearing.

Appearance Sheet was signed by all those who intended to speak during the hearing.

Chairman swore in all individuals on the Appearance Sheet.

Chairman invited the owner of the Park to speak. Attorney Robert Kraus, representing the owner, addressed the Board.

A calculation of the CPI from 1996 to present was submitted by Attorney Kraus showing approximately a 47% increase from that time period.

He announced he was additionally submitting correspondence with the former owner of Hillcrest (Hillcrest MHC, LLC Exhibit #1).

His client purchased the Park in 2002. He offered that it has taken a significant amount of time to submit for a rent increase as the documentation required is a time consuming and burdensome task.

He offered his definition of what qualifies as justification for requesting a rent increase or determining rate-of-rent.

He noted it was his error on his petition. There are 95 units as opposed to 89 and will submit in writing after this proceeding. Mathematically, if they were to go with CPI alone, the rent would be \$251, but by using the corrected number of units/sites, the rent would be \$310.77.

He requested that his documents, his application, and his presentation be added into the record this evening (Hillcrest MHC, LLC Exhibits #'s 2-11).

He presented question re parties to the proceeding. Town Counsel responded by indicating that all those who signed the appearance sheet are, in fact, parties to the proceeding. Frank Cuddy, Board

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member of the Tenant's Association addressed the Board confirming that they do have a Tenant's Association.

Tenant's Association President Robert Capeau, 2 Lisa Drive, made opening statement indicating problems with the condition of the Park and asked the Board to take the condition of the Park into consideration. He offered that he and the other tenants are not opposed to a rent increase, but ask for fairness in determining what that will be.

Frank Cuddy of the Tenant's Association addressed the Board and read aloud a prepared statement. A copy was given to Attorney Kraus by Robert Capeau. Mr. Cuddy noted that the last increase, by the previous owner, was in the amount of \$8. He further indicated that, the Board, at the time, had agreed to that increase for a one-year period with the agreement that promised improvements to the Park would be reviewed/confirmed at the end of that one year timeframe. The Park Owner did not make the improvements and sold the Park instead to Hillcrest MHC LLC.

Chairman offered that the Board did not have any questions at this time and invited Attorney Kraus and Mobile Home Park Office Manager Betty Wadsworth to speak. Ms. Wadsworth explained what her responsibilities are. Attorney Kraus indicated that she has been the Park Manager since 2005. He further offered that they have no relationship with the former owner. The Park has been maintained by them, fixing roads, having had taken down trees, providing snow and trash removal, and providing a community room for use by the tenants. Each of these services were confirmed by Betty Wadsworth. Attorney Kraus spoke about the fire hydrant in the Park indicating that he had spoken to our Water Superintendent about it and the Town Manager. He offered that, if the Board and/or the tenants want a new water meter, it will be a costly capital improvement. If they want new roads or new pipes, it becomes a capital improvement expense. He stated that the Park Owner has done its best to maintain the Park. He noted that they would like the opportunity to review the Association's four page letter, which he had not seen prior to this evening (Hillcrest Tenant's Association Exhibit #1). Real Estate and Water bills have increased significantly. An increase is not inappropriate as we are trying to maintain the facility as we have all these years without any increase. We can't continue to operate in that fashion. We are operating in a deficit. We want to maintain this asset, run it, and maintain it. It's a partnership with the tenants.

Questions Related to Hillcrest Rent Increase Hearing:

(See attached Rent Board Exhibit #1)

Answers by Attorney Kraus:

1. Yes. They use the assessed value.
2. There are 95 units.

3. Betty Wadsworth answered: It is considered part of the Park.
4. Betty Wadsworth answered: He's renting a 3 bedroom home. Chairman asked if they include this as part of the 95 units. Attorney Kraus will get back to the Board with answer.
5. Attorney Kraus doesn't know current interest rate, but will check and get back to the Board. He then referred to R&R, Section M. This implies whatever the debt service is, you then apply an additional number for a fair market yield spread over that debt. At least that's the way he is interpreting it. Chairman offered that the Board doesn't have a problem with the formula he used to calculate the rent increase being requested. Chairman asked why they chose to use the highest interest rate. Attorney Kraus will get back to the Board with an answer.
6. Attorney Kraus referred to the Comp Income Statement. We replaced a damaged meter socket, replaced water leak and made multiple other repairs. We anticipate future additional repairs will be needed as it is an aging Park. Chairman asked how much of the \$16k was from the home they are renting for \$1,000 per month. Attorney Kraus will get the Board the answer. Chairman pointed out that having a 3 bedroom house in the middle of a mobile home park is unusual. Chairman pointed to ground repairs in 2010 and 2011. You have a very high budget for 2012. Attorney Kraus offered that they paid to have a significant amount of trees removed.
7. Selectman Frawley noted that total maintenance had significant increase and personnel doubled. Total operating expenses doubled from 2009 to 2011. Attorney Kraus addressed payroll for Jason (maintenance personnel with 62% of his time in Middleborough & 38% of his time in Easton) and Betty (Park Manager). He thinks that in prior years, because of their losses, they tried to capitalize their expenses. Neither of these people have had an increase in pay in all the years they've been employed. It reflects what wasn't properly accounted for in those years. Selectman McKinnon asked questions relative to payroll comments to which Attorney Kraus responded that it's a characterization issue and the Comptroller will come here and characterize it.

Selectman Frawley asked Attorney Kraus if he could explain some of the numbers on the Comparative Balance Sheet. Chairman responded that they must have a balloon payment coming due in 2012, to which Attorney Kraus agreed.

Selectman McKinnon noted sewer & water bills on same sheet. He knows we did increase rates, but doesn't think we went up that high. Town Manager explained that they don't have a meter so they are getting estimated usage/readings. We decided years ago, because they didn't fix the meter, that we were going to use a higher number. By not replacing the meter, they are being billed on estimated readings. If they replace the meter, they would find an actual number. We didn't want to put the Town at risk because we don't know what is going through that Park. Based on the numbers he has, it's not a \$5,000 capital expense to replace the meter.

Selectman McKinnon asked for confirmation that they came to an agreement with Water Superintendent Mr. Silva. Town Manager responded that we were very interested in getting the

hydrant turned on. We sent many letters to the Park Owner. We learned that it could cause a major problem in the Park with water pressure. We don't want to put the water pipes in any danger. We said just replace the meter with a like meter and not have water suppression in the Park. Selectman McKinnon offered that he has spoken to the Fire Chief and he has an incident command plan in place. However, if other fire apparatus were called in and arrived first in the Park, they could potentially cripple their apparatus. He recommended being proactive by covering up the non-functioning hydrant. Attorney Kraus offered that they don't believe they are having leakage problems. He doesn't believe they have authorization to touch/tag the fire hydrants. He thinks it's the Fire Department's authority only. It's probably my fault. Perhaps I didn't follow up with the Fire department. Town Manager agreed that they are private hydrants. Attorney Kraus will write a letter tomorrow as a matter of good faith.

8. Yes. Morgan Management has six communities within MA. New York manages Park operations with over 100 employees. Many man hours go into processing bills. It is a total of 4% taken in as a profit margin. Again, he will have the Comptroller in to offer clarification to outstanding questions.

9. Attorney Kraus noted that all legal bills are detailed. Chairman offered that it is hard for him to believe the significant increase in phone expenses incurred. Attorney Kraus will come back with details. Selectman Quelle asked about \$3k printer capital expense and asked Attorney Kraus to detail for us the category of office expense. Attorney Kraus will be happy to further detail this/clarify as doesn't think it's really for just one item/printer. Printer was purchased in February 2011. Selectman Frawley asked that, at next meeting, they provide information on 3 generators they are buying. Selectman Quelle offered that he needs to know what is being used for this Park and only this Park.

10. Chairman asked what the nature of this expense is. He indicated that he needs to know what it represents and why such a large increase. Attorney Kraus responded that he would be more comfortable to have the Comptroller here to answer. Chairman explained that the Board wants the Comptroller here for the next meeting.

11. Attorney Kraus offered that it doesn't behoove us to allow leaks in the Park. I didn't hear about busted pipes from anyone thus far on the side of the residents. Selectman Quelle offered that water suppression in these Parks in Town have been an issue. Attorney Kraus responded that they are going to address this meter. We have to address it. I had told the Board last time I was here, it would be, and blame me that it wasn't. We have to address just as we should have addressed an increase for these guys. We receive the water bills from the community and we pay them. If the Board decides to decrease the allowable expenses, we will have to look at them as well. Selectman Quelle offered that this was incurred by the Park Owner, not the tenants. Attorney Kraus defended his client noting that it can't all be allocated by not replacing the meter.

12. Attorney Kraus doesn't know what it is, but it isn't included in this rent increase. He will come back with answer.

13. Attorney Kraus offered that he will have to come back. He doesn't know answer. Chairman asked if they haven't asked for an increase since 1996, is it safe to say that you haven't made any capital improvements since then. Attorney Kraus will get back to him.

14. Attorney Krause offered that he believes that is at least \$5,000.

15. Attorney Kraus offered that Betty tells him there was 1 back up because a sewer got backed up. Betty told Selectman McKinnon that the pump was replaced.

16. Selectman McKinnon noted that we covered this.

17. Attorney Kraus offered that he believes it's generated because the company has been running at a deficit for so long, but will ask the Comptroller.

18. Attorney Kraus offered that they are incurring too much debt so they gave the Board in 2011, a picture of what their actual expenses were. Chairman offered that he just wants to make sure that these are real invoices/bills. Attorney Kraus responded that they are real and they have backup. Chairman wants Comptroller to give us backup for this. Attorney Kraus noted that the Town allows for CPI and perhaps they should consider it. Chairman responded that CPI requires leases to be signed.

19. Attorney Kraus deferred to the Comptroller.

20. Attorney Kraus answered.

21. Attorney Kraus will come back and confirm that relatively quickly.

Selectman Frawley asked that, when they meet again, could Attorney Kraus have someone explain to him why they need 3 generators to which Attorney Kraus responded, yes.

Selectman Quelle asked if they don't get CPI, are they going to wait 16 years to ask for another rent increase. Attorney Kraus responded that it's been a process putting together the financials, which can now be used going forward, so perhaps in another two years.

TENANT'S ASSOCIATION

President had two questions:

1. Homeowner's Association President Robert Capeau, 2 Lisa Drive, offered that we have two Community Park managers here tonight that don't obviously do it anymore. The financials

show payroll for an employee (Jason) in Easton and they want us to pay for Easton too? Attorney Kraus offered that Betty is the only manager for Hillcrest and Hillcrest is only being charged for the hours that Jason puts in at Hillcrest in Middleborough. Betty offered that she does payroll and she puts in consistently 20 hours for Jason in Middleborough and 12 hours in Easton every week. She oversees this with Paul, the manager of Easton, to make sure that Jason puts in the hours. It reflects an appropriation of where he is and not an actual. It's an allocation per Chairman.

2. Homeowner's Association President offered that they've heard she gets her lot fees for free, and if true, it brings the total lots down from 95 to 94. Chairman asked if her unit is included in the number of units. Attorney Kraus responded, yes and because she maintains the office in her home, she gets an allocation. We can take Betty's house out of the equation, but it's not in the other tenant's best interest because it would increase the number of units, increasing the rent of the tenants. Attorney Kraus offered that she dedicates a big part of her house to the running of the Park. She pays for her own upkeep and we pay for her rent of \$171 only.

Selectman Quelle asked if the 3 bedroom house is for 55 and over. Attorney Kraus responded, no. He further asked what the relationship is between his client and the tenant in that house. Attorney Krause responded that his client is the landlord. Betty indicated that the house is vacant.

Selectman Quelle asked who pays for the utilities for that house. Attorney Kraus responded that the tenants pay for that. Betty indicated that a man, a woman, and two children were living there.

Selectman Quelle offered that the music coming out of there was interesting and suggested that it would affect the quality of life in the Park. Attorney Kraus offered that sometimes it's not in the Park owner's absolute and total control.

Frank Cuddy, 11 Gerald Drive, noted a reference for approximately \$5k in new furniture. The clubhouse has old furniture that's been there for about thirty years, and we've never seen any furniture allocated for our use. Attorney Kraus will get answer.

Mr. Cuddy noted that they will be paying \$66-\$67 in management fees/month and he thinks it's a bit excessive. Attorney Kraus offered that he will get back to the Board on this.

Mr. Cuddy offered that the residents don't have a problem with an increase. When he managed in the past, he got his lot fee covered and \$400/month, but only worked in Middleboro. Betty has worked in Easton and we have paid for that. The only road repair in the 17 years he's lived there was an overlay to the front entranceway. A rear section of the rear exit was also repaired with an overlay. The roads sink and have water all over them in the winter. They accumulate ice because of the amount of shade and the inability to drain

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properly. Attorney Kraus offered that that he will do calculations, re management fees, on a spreadsheet, but when we are running at a negative number, the tenant's paying for Betty isn't sensible. We've done maintenance to the roads. It will cost \$600k to \$1 million to repair and if tenants want to pay, we will go get three estimates. We will continue to make improvements like we have done with the trees and other items.

Mr. Cuddy offered that he doesn't deny it costs money to run the Park and to run a business. However, he asked why Morgan Management waited ten years, at which point, is now going to cost us more. He made some alternative suggestions to save/make money. We do have a clubhouse with no sanitary facilities or light bulbs. We don't need it. Take it down. Take down the shed and put in for tax abatement. Morgan could take out an old mobile home and put in a new one and make an increase on the sale of a new home. There are things that can be done. You advocate that you've done a lot to the Park, but nothing has changed in the 20 years that we've lived here. Attorney Kraus offered that they can't take down the community room because they would have the Attorney General come after them re CMR regulations. He further offered that they haven't done everything perfectly, but they have maintained this Park for these tenants.

Ronald Brown of 11 Lisa Drive, a 25 year resident of Hillcrest, offered that the last increase was predicated on the roads being maintained and they haven't been. The roads are as bad now as they were when he arrived. A lot of people cannot afford a large increase and are on the borderline and we should think of those people. Morgan could afford to put a road in 100' every year. He asked if they are entitled to get a copy of the financial statements to which the Town Manager responded, yes. Attorney Kraus responded that they want to work with their residents. We feel we have attempted to make conditions safe. I'm sorry people are on fixed incomes, but we are not a subsidizing agency.

Mr. Cuddy wished to make the clarification that a capital improvement is not an increase in rent. It is a separate entity. Chairman noted that the Board's Rules & Regulations address capital improvements relative to rent increase. Mr. Cuddy told Attorney Kraus that he would really like him to come to the Park in the winter and drive on the roads.

Betty Roma of 8 Gerald Drive addressed Board. She has lived at the Park since 2000. When she bought her home, she had a home inspection on the trailer, but not on the grounds and ever since she bought, her grounds get flooded yard. She was flooded this past July and was recovering from surgery and went to Betty to say she couldn't safely get out of her own yard. She has speed bumps and nothing but tree roots in her yard with no grass. Betty said she couldn't do anything about the speed bumps or curb cuts and she wants to know why not. Attorney Kraus indicated that he will talk to the manager and address this and report back to

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the Board. Ms. Roma offered that she was concerned, not wanting to break other foot, so she chose not to go to therapy.

Mr. Cormier thanked Attorney Kraus for reiterating that Hillcrest is incapable of running a profitable operation and constantly not properly maintaining the property.

Rick O'Seanery of 7 Robert Drive offered that the road is crushed underneath with huge holes and puddles. When it rains hard, you can actually pick up pieces of the road.

Susan Ware of 15 Kevin Drive offered that they have two drains that they constantly clean out every fall and winter. Each winter we have to raise the bar higher to measure where the drains are. If we don't constantly shovel the drains get clogged. Betty was kind enough to send us a gift certificate this year for taking care of these issues.

Chairman asked if the Tenants would like to call any witnesses at this time. Mr. Cuddy responded that they were all set, but asked to make one comment. He offered that if they could have the speed bump removed on Gerald Drive it would be helpful as you can't get traction in this area and you have to put brakes on, which he considers a traffic hazard.

Ronald Brown asked if Mr. McKinnon liked what he saw in the Park as an impartial observer. Attorney Kraus objected for the record. Town Counsel offered that Selectman McKinnon could be allowed to respond. Attorney Kraus noted, for the record, that if Selectman McKinnon was going to give testimony, a factual impression of what he saw, it could be potential grounds for his recusal. Chairman duly noted his objection, but allowed Selectman McKinnon to speak indicating that they are going to hear his perspective now or later and he saw no difference. Selectman McKinnon shared that he had been a Firefighter in the Air Force and noticed the Park utilizes its space very well be maximizing on capitalizing on the number of units. The roads weren't great, but he has seen worse in Town. Every road has wear and tear.

Attorney Kraus indicated that didn't intend to cross examine, but rather to answer the resident's questions. It's a relationship we want to survive and flourish. He asked for the Homeowner's Association President's contact information, which is Robert Capeau, 2 Lisa Drive.

Chairman explained that the Board would continue the hearing. Attorney Kraus offered that thirty days would allow him enough time to prepare. Attorney Kraus asked if the Board could possibly wrap it up/close the hearing that night. Chairman responded, yes, but noted that they won't get an answer that night.

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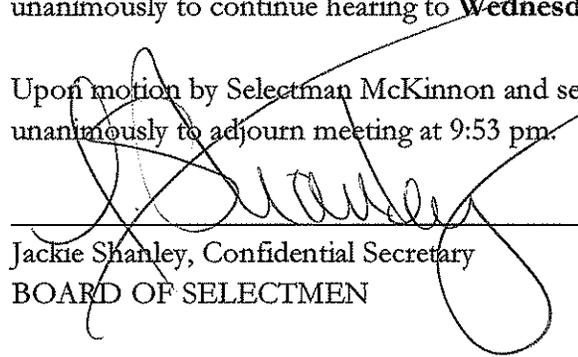
Mr. Capeau offered that on 4/2/12, he brought in a letter and invited the Board to come to the Park and see how bad it is. Town Counsel thinks we need permission of Park owner as is private property. Attorney Kraus offered that it would be fine if they want to drive through the Park, but indicated that they can't go around with tenants and have them point out what they should and shouldn't look at. It's inappropriate. This is the forum for witness testimony. Chairman asked Town Counsel if this was acceptable. Town Counsel thinks it's appropriate for tenants to point out to Board members only matters that have been the subject of testimony during the hearing. Selectman McKinnon offered that he would prefer to see the site by himself because he may not go at 12 noon, but at 11 pm to see for himself what it's like. He wants to be impartial and do it alone with no tenant or attorney, but decide for himself and make his own observations to keep it as fair as possible. Selectman Frawley offered that he would more than likely go on his own, but if they have a group site visit, he suggested that they invite the attorneys. He's not advocating for, or against, a group site visit. Selectman Quelle asked if there is a conflict to review the site as a member of the Board of Health. Town Manager noted that the question appeared to be whether or not the Board should go as a group with only tenant guides and he doesn't recommend that. Mr. Cuddy offered that, in the past, The Board, Counsel, and the residents all went together.

Motion made by Selectman McKinnon and seconded by Selectman Quelle to conduct individual site visits. Attorney Kraus cautioned the Board, and suggested that the Board rely on Counsel, make own observations, and not speak with/to anyone, as a cautionary matter. Unanimous vote.

Resident Rich Drazio offered that this is a business and asked if the number submitted for the increase was a set number. Chairman responded that the Board will decide.

Upon motion by Selectman Frawley and seconded by Selectman McKinnon, Board voted unanimously to continue hearing to **Wednesday, May 30, 2012 at 7 pm.**

Upon motion by Selectman McKinnon and seconded by Selectman Quelle, Board voted unanimously to adjourn meeting at 9:53 pm.



Jackie Shanley, Confidential Secretary
BOARD OF SELECTMEN



NOTICE OF HEARING

Please take notice that the Town of Middleborough Rent Board, ("Rent Board") will hold a hearing on **Wednesday, April 25, 2012 at 7:00 PM** in the Selectmen's Meeting Room at the Middleborough Town Hall in Middleborough, MA. The hearing will be conducted pursuant to the authority under the Rent Board's "Rules and Regulations For Mobile Home Park Accommodations, Rents And Evictions" and Chapter 703 of the Acts of 1985 to consider a petition filed by Hillcrest MHC LLC for an increase in rents to be paid by tenants of Hillcrest Mobile Home Park (the "Park"). Hearing procedures will be governed by the Informal/Fair Hearing Rules pursuant to 801 CMR 1.02. The Park Owner and the tenants shall each have the right to participate in the hearing and have the right to be represented at the hearing by an authorized representative or attorney. They, or their representative/attorneys, shall have the right to prepare and present relevant evidence and argument at the hearing. Information relating to expenses incurred, by the Park owner, for the past year, is contained in the large volume of information on file with the Rent Board at the office of the Board of Selectmen in the Town Hall, 10 Nickerson Ave. This material is available for review by the general public Monday through Friday from 9 a.m. to 5 p.m.

The issues involved in the hearing include:

- Whether the rents paid by tenants in the Park will be increased.

TOWN OF MIDDLEBOROUGH RENT BOARD

Alfred P. Rullo, Jr.
Stephen J. McKinnon
Steven P. Spataro
Allin Frawley
Ben Quelle

Publish: April 12, 2012

Please bill the Town of Middleborough Board of Selectmen's office.

4.25.12 Appearance Sheet Hillcrest MHC LLC

Robert H Carol	18 BLADY DR MIDD	Hearing
Red O'Sewery	7 Robert Dr Midd.	For
Francis X Cuddy	11 Gerald Dr #60	Rent Increase
RONALD BROWN	11 LISA DR #76	

4.25.12 Appearance Sheet Hillcrest MHC LLC Hearing For Rent Increase

Robert Carracl	2 LISA DR.	
Susan Ware	15 Kevin Dr.	
Richard Prozio	23 Gerald Dr	
Elizabeth Roma	8 Gerald Dr.	
Carolyn Gravelin	11 David Dr.	
John Ruffin	10 Lisa DR	
Steph Edwards	11 Gladys Dr.	Manager

HILLCREST MHC, LLC - 4/25/12 HEARING RE PETITION FOR RENT INCREASE
LIST OF EXHIBITS

FROM	Exhibit Reference Name	Exhibit #
Hillcrest MHC, LLC	Richard Civitarese Correspondence	#1
	Petition for Rent Increase	#2
	CPA Certification letter	#3
	Comparative Income Statement	#4
	Employee Statement	#5
	Proposed Capital Improvements	#6
	Capital Improvement #1	#7
	Capital Improvement #2	#8
	Rent Roll	#9
	Bank of Castile - Interest Rate	#10
	CPI	#11
Rent Board	List of Questions for 4/25/12 Hearing	#1
Hillcrest Tenant's Association	Letter of Concerns/Questions dated 4/2/12	#1

RENT CONTROL HEARING
***HILLCREST* MHC, LLC MOBILE HOME PARK**
PETITION FOR RENT INCREASE

WEDNESDAY 4/25/12

HILLCREST MHC, LLC “PETITIONER”
EXHIBITS

COPY

September 1, 1992

Mr. Richard Civitarese
American Home Manufacture Trust
P.O. Box 458
West Bridgewater, MA 02379

Dear Mr. Civitarese:

At a continued hearing held on Monday, August 31, 1992, by the Board of Selectmen, acting as the Rent Control Board, a vote was taken, and it reads as follows:

"That the Rent Board establish rent for each mobile home unit in Hillcrest Mobile Home Park as follows:

1. Year One - September 1, 1992 to August 31, 1993 - \$145.00 per month.
2. Year Two - September 1, 1993 to August 31, 1994 - \$160.00 per month.
3. Year Three - September 1, 1994 to August 31, 1995 - \$175.00 per month.
4. Additional rent for Year Two shall be assessed and is hereby established in the event the park owner incurs expenses in Year One in excess of the Base Expenses set forth below.
5. Additional rent for Year Three shall be assessed and is hereby established in the event the park owner incurs expenses in Year Two in excess of the total of the Base Expenses and any additional rent assessed for Year Two.
6. Additional rent for Year Two or Year Three shall be limited to the increase in said expenses as stated respectively in Paragraph 4 or Paragraph 5 as the case may be. Each unit shall be subject to 1/95 of the total increase in said expenses which shall be assessed in equal monthly payments.

Mobile home rent hike OK'd

Sept. 1996

MIDDLEBORO — Acting as the Rent Control Board, the Board of Selectmen granted a rent increase of \$8 per month for one year at the Hillcrest Mobile Home Park which was less than requested by owner Richard Civatarese, but more than the decrease requested by park residents.

About 30 residents attended the hearing, which was also attended by Civatarese and his attorney, Lee Wernick.

Civatarese had asked for an increase of \$18 per month per year for the next three years to cover operational costs incurred and to provide a fair rate of return.

In addition, "pass-throughs," which include any increases in real estate or utilities, would also be assessed.

He based his increase on actual costs and on rates charged parks in neighboring communities.

Along with the rent increase, Civatarese proposed in the fourth year, residents would be able to sign a lifetime lease which would only increase thereafter according to the Consumer Price Index and any pass-throughs.

In 1992, selectmen granted a rent increase from \$125 to \$175 per month, which was spread over three years.

In a letter to selectmen, residents said they feel a credit is due them because, for many months, there had been no management on-site and roads were not maintained as had been or-

Civatarese had asked for an increase of \$18 per month per year for the next three years to cover operational costs incurred and to provide a fair rate of return.

dered by selectmen.

Using figures supplied by the owner, Selectmen Neil Rosenthal told Civatarese the actual increase in his expenses over the past three years was \$8,109.

To recoup those expenses, rents would have to increase on the 95 units at the park by \$7.11 per month.

If increases after that were to be based on the Consumer Price Index, those increases would be \$3.40 for the next year and around \$3 for the year after.

Rosenthal also told Civatarese he felt the \$85,000 profit per year was a fair return on his investment.

The board voted to grant a one-year increase and to review the situation next year because the impact of new regulations approved by the state Attorney General have not yet been assessed and may affect how the monthly rent is calculated.

HE ACCEPTED THE \$8.00 INCREASE

Selectmen back rent hike for mobile homes

MIDDLEBORO — The Board of Selectmen voted to uphold last week's vote to increase the rent at the Hillcrest Mobile Home Park by \$8 a month, even though owner Richard Civitarese has threatened to appeal the decision in court.

Civitarese had asked for an increase of \$18 per month per year for the next three years to cover operational costs incurred and to provide a fair rate of return.

Residents had asked for a rent decrease, saying they felt a credit was due them because for many months there had been no management on site and roads were not maintained as had been ordered by selectmen.

In a letter to the board, Civitarese said he will not accept the increase and has told residents not to pay any more than the current \$175 monthly rent. Anyone who does pay the \$8 increase "will have the increase refunded," he said.

Civitarese said the board should have considered fair market value when determining the rent increase request to provide a fair rate of return on his investment.

Monday night, Rosenthal said the board did consider return on investment when voting the \$8 per month rent increase. He said the board set the base value of the park at \$950,000 in 1992.

"As far as I know, an investment is money down, not an appraisal of what it might be worth if it was sold," Rosenthal said. Civitarese wants future rent increases based on the consumer price index and the appraised value as well as expenses, which Rosenthal called "double dipping."

Civitarese said he will bring a petition to the district court to argue for his requested increase.

In other business, the board voted to appoint Sarah Jiger-

Middleboro

CAROL HURLEY
508-946-5659

son St. The property is unoccupied and has been the scene of several fires over the past few years.

Health Agent Doris Balonis said the property was heavily damaged by fire in 1988, before the Staffords purchased the home.

The new owners did repair the fire damage, but since they bought it in 1990, vandals have repeatedly broken into the house, destroying the walls and cabinets, breaking windows, stealing tools and setting fires.

The latest fire was Oct. 4 when a burning mattress filled the house with smoke.

Vandals have also removed the fence that surrounded an outdoor in-ground pool and have removed the cover from a six-foot pit adjacent to the pool, both causing an "attractive nuisance," Balonis said.

"I am very concerned about the various health and safety hazards to the public but especially for firefighters who could be injured in the event they must again enter this building to extinguish a fire," she said.

In a letter to the board Deputy Fire Chief Eugene Turney said when the department responded to the burning mattress Oct. 4, they found holes in the floors, ceilings and walls.

"The stairways are blocked with debris," he wrote. "Firefighting is dangerous enough without compounding it with the above hazards, which hinder firefighters' movement in and out of the structure and firefighting operations inside the structure."

Jean Stafford told selectmen

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From: The Hillcrest Mobile Home Tenants Association

May 7, 2001

To: The Middlebrough Rent Control Board

Ladies and Gentlemen of the Board,

We the tenants of Hillcrest Mobile Home Park wish to make the following statements in regard to any increases of lot fees in the park.

First and foremost is the subject of a park manager. There is not even a part time manager, which Mr. Civitrese states he has budgeted \$6000.00 per year. This has been a part of an agreed upon series of contracts entered into by Mr. Civitrese, The Rent Control Board and The Tenants since 1996. Mr. Civitrese has accepted all of the monies granted in the increses over the past years and has not provided this service as stipulated by the RCB. This is a violation and breach of the contract entered into and accepted by taking the money. This is just one of the blatant affronts to this Board and the Tenants Mr. Civitrese has done over the years.

Second: After many times over many years of trying to negotiate fair and reasonable fees and terms with Mr. Civitrese, we are all at the same place. Nothing has changed except the fact that the fees went up over the years and our services and repairs have deteriorated. We have not been offered a lease as required by the AG's Guide to Manufactured Housing Community Law (page 11). We have no posted Rules & Regulations as required by the AG's Guidelines and should be approved by The AG's office. The approved rules should be on file at the Town's Health Department and a copy given to each tenant. Maintenance, repairs are done slowly if at all and with constant excuses by management as to why they can't accomplish even the simplest of repairs i.e.: replacing a light bulb that took over a year.

Third: Mr. Civitrese has threatened to sell the Park because he can not get what he deems a decent return on his investment. Had he worked with The RCB and not sued the Town. Had he worked with the tenants on many occasions to come to terms, he would be at the lot fees he is requesting much be for this and saved the Town and himself a lot of money in Legal fees. If the Park is so unprofitable then he should have sold many years ago after he reaped large profits from the expansion of new homes. The RCB, in order to assess a fair rate biased on facts, has asked for financial statements numerous times from Mr. Civitrese. What is the big secret in his financial statements that he won't disclose them to the RCB to justify his requested increase?

Finally, Ladies and Gentlemen, The Rent Control Board by the AG's Guide, pg. 50, has the power to raise, lower or keep the fees the same. They also have the power to enforce health safety and needed repairs be done. We the tenants ask that the RCB reduce the fees by \$5.26 per month for 6yrs. to compensate for the lack of an in house manager and that it be mandated the outstanding complaints and repairs be addressed. We tried again to agree to an increase with guidelines and terms in Dec.thru Feb. this year but to no avail. Mr. Civitrese wants it all with no written assurances or agreements to take action on the problems.

If Mr. Civitrese want to sell then he should sell. The new owner will be subject to the same Rent Control Board, AG's laws and Guideline. We can only hope the new owner will be more law abiding and cooperative with the Town officials and the tenants.

We think we all have had enough of Mr. Civitrese's antics.

Thank you

The Hillcrest Mobile Home Tenants Association

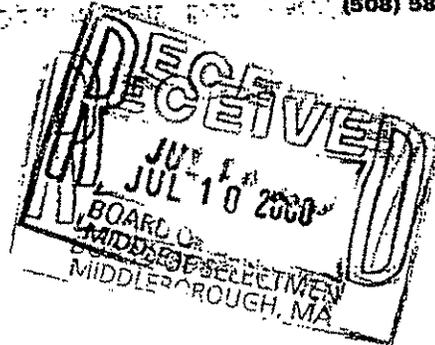
Cc: Middleborough Rent Control Board
Cc: Mass. Attorney General's Office
Cc: American Manufacture Home Trust

American Manufacture Home Trust

0004

REAL ESTATE PROPERTIES

WEST BRIDGEWATER, MASSACHUSETTS 02379-0458
P.O. BOX 458
(508) 583-2535



July 5, 2000

Rent Control Board
Town Hall
Middleboro, MA 02346

RE: Rent Increase Hillcrest Park

Board Members,

Enclosed find the Statement of Operation for years 1996-1997-1998 and 1999, prepared by my C.P.A., per your request.

The current rent, less the excise tax imposed by the Town, is \$171.00 per month for each unit.

Find enclosed a list of resident's names, addresses and telephone numbers.

Please contact me at the above address if further information is desired.

Sincerely,



Richard J. Civitarese

CRANBERRY CAPITAL
OF THE WORLD



Phone: (508) 946-2405
FAX: (508) 946-0058

Town of Middleborough
Massachusetts

BOARD OF SELECTMEN

Emil A. Maksy, Sr.
Pamela M. Desrosiers
Michele F. Grenier
Neil D. Rosenthal
Steve P. Spataro

October 30, 1996

Mr. Richard Civitarese
American Manufacture Home Trust
P.O. Box 458
W. Bridgewater, MA 02379

Re: Hillcrest Mobile Home Park

Dear Mr. Civitarese:

The Board of Selectmen, acting as the Rent Control Board, voted, on Monday, October 28, 1996, to amend the vote of October 7, 1996, which set the rent at Hillcrest Mobile Home Park, by rescinding the same, and further moved as follows:

- (1) That the Rent Board establish rent for each mobile home unit in Hillcrest Mobile Home Park of \$183.00 per month from October 1996 to September 30, 1997.
- (2) That the rent established by this vote shall be subject to the following:
 - (a) The park owner shall maintain the park roads in good condition.
 - (b) The park owner shall cut the grass on a regular basis.
 - (c) The park owner shall provide a park manager, who shall be at the park at least forty (40) hours each week.
 - (d) The park owner shall not make any capital improvements to the park unless at least half of the tenants in the park approve of the same in writing.
 - (e) The park owner shall maintain the park area so as to provide for the safety of the park residents.
 - (f) The park owner shall provide maintenance of above ground and under ground utilities.
- (3) That base expenses for 1995, which are the latest actual figures provided, are:

(a) Real Estate Taxes	\$ 9,541.88
(b) Water & Sewer Charges	\$22,925.00
(c) Rubbish Removal	\$ 4,863.24
(d) Trailer Fees	\$13,824.00

Mr. Richard Civitaresse
October 30, 1996
Page 2

(4) That the Rent Board find that the rent established above will yield to the park owner a fair net operating income with respect to the mobile home units in Hillcrest Mobile Home Park and that the park owner had the following income and operating expenses for the period of January 1, 1995 through December 31, 1995:

Income	\$199,500.00
Operating Expenses	\$113,652.00

It was further moved that the Rent Board find that the rent established by this vote was based on consideration of the following:

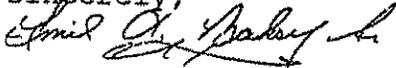
(a) The factors enumerated in Section 3 of Chapter 703 of the Acts of 1985 (The Middleborough Mobile Home Park Rent Control Law).

(b) Information provided by the park owner and all other evidence, oral or written, received at the hearing.

That the Rent Board assign as reasons for the establishment of rent as forth above the consideration set forth herein.

It was further moved that the Rent Board hold a hearing in October 1997 for the purpose of reviewing the income and operating expenses of Hillcrest Mobile Home Park from January 1996 through June 1997 to determine if additional rent adjustments are warranted.

Sincerely,



Emil A. Maksy, Sr., Chairman
BOARD OF SELECTMEN acting as
THE RENT CONTROL BOARD

EAM:d

cc: Board of Selectmen
Attorney Daniel F. Murray
Attorney Lee Wernick
Hillcrest Mobile Home Park Residents

Hillcrest MHC LLC

KRAUS & HUMMEL LLP

Exhibit #2

99A COURT STREET
PLYMOUTH, MASSACHUSETTS 02360
(508) 747-4200
(508) 747-0788 FAX
WWW.KRAUSHUMMEL.COM

February 29, 2012

In Hand

Mr. Charles J. Cristello

Middleborough Town Manager

Town Hall Building

10 Nickerson Avenue

Middleborough, MA 02346

Attn: Rent Control Board

**PETITION FOR RENT INCREASE –
Hillcrest MHC LLC**

Dear Mr. Cristello:

This office represents the legal interests of Hillcrest MHC LLC, which owns and operates Hillcrest Mobile Home Park (the "Park") and I am writing to you in that capacity.

Please accept this letter as a formal petition for a rent increase subject and pursuant to rent control as instituted in Middleborough and pursuant to your rent control by-laws. The last time that we know of any increase in rents was over ten (10) years ago, and certainly before my clients acquired title to the Park in 2002.

I am attaching hereto information that responds to the requirements of the by-law, as follows:

1. Internally reviewed financial statements by a CPA for the three (3) years preceding the year of the filing of the petition;
2. Interim financial statement;
3. Current balance sheet;
4. Statement on the number of employees, job titles and job description;
5. Current capital improvements;
6. Proposed capital improvements;
7. Proposed Budget for this year; and
8. Statement herein that relates to rate of return anticipated and sought.

The information relating to expenses for the past year are contained in the large volume of information herewith supplied¹.

The rate of return is typically based on the interest rate that first position money incurs as set forth in the Middleborough rent control authorizing statute. There are three factors which control the rent to be determined by the Rent Control

¹ Three copies of the information are provided per the direction of your office based on our meeting on February 15, 2012. Please note that one full copy of all expense backup was left in your offices during the visit referenced.

Via In Hand

Charles J. Cristello, Town of Middleborough

February 29, 2012

Page 2 of 2

Board – fair market value of the Park (here we are using the assessed value), first position money or rate of return (7%), and expenses associated with the operation of the Park.

Please note that the expenses incurred for 2011 amounted to \$215,624 but we anticipate an increase to \$246,524; for the purposes of our application, we are going to use expenses that divide equally these figures, that is, \$231,074. With these figures the calculation of rents is a simple mathematical equation: [(fair market value of Park) x (first position money/rate of return)] + expenses/number of units/12 months. The numbers are as follows:

Fair Market Value of Park:	\$1,760,400
Interest Rate/Rate of Return:	7%
Blended Expenses:	\$231,074
Number of Units:	89

Calculation: $(1,760,400) \times (.07) = 123,228$ plus 231,074 equals, 354,275 divided by 89 units equals 3,981 divided by 12 months equals monthly rent of \$332. Please note that this is a rent figure and does not include the Town's monthly fee and does not include capital projects that have certain defined and determined amortization periods, which will be discussed during the presentation of the petition.

Thank you for docketing this Petition and your assistance. I am enclosing a check made payable to the Town of Middleborough for \$400, as you indicated during our meeting would be required. Please call me with any questions. We look forward to proceeding with the petition in a timely fashion.

Very truly yours,

Robert Kraus

RK/kl

cc: Client

Attachments:

- (1) Comparative Balance Sheet with income statement internally reviewed for 2008-2010
- (2) 12/31/11 Balance Sheet
- (3) Proposed 2012 Budget
- (4) Hillcrest MHC LLC Employee List/statement
- (5) Capital improvement information
- (6) Tenant Ledger
- (7) Interest rate/rate of return letter from The Bank of Castile
- (8) Check made payable to the Town of Middleborough for \$400 application fee

Hillcrest MHC, LLC Exhibit #3



I certify that I am a licensed CPA in the state of New York since, have been since August 1984. I have been employed by Morgan Management since May 17, 2004 and have worked as an accountant for the company since my hire date.

I have performed an internal review of the Income and Expense Statements of Hillcrest MHC LLC as of December 31, 2009, 2010 and 2011. Based on my internal review, I find the information to be in accordance with GAAP. All transactions and balances have been reported in the correct accounting period. There are internal controls in place so each transaction is recorded properly and authorized by the appropriate person. Monthly reports are reconciled to source documents by the Divisional Controllers. Internal controls are in place so the person who processed the underlying transaction is not the person reconciling to the source documents.

The Accounting Department prepares monthly trial balances and interim financial statements. All financial reports are approved by the Controller before release to management.

All information included in these financial statements is representation of the management.

Signed by:

Jessica Steinberg

Date

3/25/11

Hillcrest MEC, LLC
Exhibit #4

HILLCREST MEC LLC
Comparative Income Statement

March 22, 2012
11:10 am

	2009 YTD	2010 YTD	2011 YTD
RENTAL INCOME	\$ 203,760.90	\$ 204,680.90	\$ 203,466.73
FEEES, CHARGES & FORFEITURES	402.00	664.45	864.90
OTHER INCOME			400.00
MISCELLANEOUS REVENUE		<u>860.84</u>	
TOTAL REVENUE	\$ 204,162.90	\$ 206,206.19	\$ 204,731.63
EXPENSES			
ELECTRICITY	\$ 1,622.94	\$ 2,004.08	\$ 1,213.35
SEWER & WATER	16,286.11	48,512.60	71,994.38
GAS & OIL	<u>417.02</u>	<u>368.25</u>	<u>1,141.85</u>
TOTAL UTILITIES	\$ 18,326.07	\$ 50,884.93	\$ 74,349.58
SUPPLIES	\$ 459.61	\$ 775.00	\$ 2,891.94
CONTRACT REPAIRS	1,103.50	3,586.00	16,219.52
GROUNDS		8,731.72	8,760.64
PAINTING		219.26	140.18
TRANSPORTATION	509.68	750.87	550.65
SNOW REMOVAL	1,727.93	2,187.76	4,139.80
TRASH REMOVAL	<u>6,580.26</u>	<u>8,197.83</u>	<u>8,114.64</u>
TOTAL MAINTENANCE	\$ 10,380.98	\$ 24,448.44	\$ 40,817.37
PAYROLL	\$ 21,519.74	\$ 34,009.34	\$ 40,819.20
PAYROLL TAXES		4,259.89	4,252.80
HEALTH BENEFITS	2,232.94	3,593.35	3,801.92
OTHER BENEFITS	<u>713.00</u>	<u>2,196.00</u>	<u>2,196.00</u>
TOTAL PERSONNEL EXPENSE	\$ 24,465.68	\$ 44,058.58	\$ 51,069.92
ADVERTISING		\$ 100.00	
LEGAL & PROFESSIONAL	225.00	7,847.25	6,626.32
OFFICE & TELEPHONE	997.53	3,814.99	7,885.55
MANAGEMENT FEES	8,903.28	8,288.11	8,697.36
INSURANCE	4,211.98	4,102.20	3,151.31
REAL ESTATE/OTHER TAXES	<u>27,638.46</u>	<u>21,993.72</u>	<u>23,027.25</u>
TOTAL OTHER EXPENSES	\$ 41,976.25	\$ 46,146.27	\$ 49,387.79
TOTAL OPERATING EXPENSES	\$ 95,148.98	\$ 165,538.22	\$ 215,624.66
NOI	\$ 109,013.92	\$ 40,667.97	\$ (10,893.03)
INTEREST EXPENSE	\$ 107,681.84	\$ 114,273.93	\$ 103,045.57
INVESTOR/OTHER INT EXPENSE	1,102.00	1,747.73	41,555.97
NON-RECURRING EXPENSES		<u>11,072.63</u>	
NET INCOME BEFORE DEP & AMORT	\$ 230.08	\$ (86,426.32)	\$ (155,494.57)
DEPRECIATION & AMORTIZATION	\$ 155,395.20	\$ 111,425.20	\$ 103,649.43
NET INCOME	\$ (155,165.12)	\$ (197,851.52)	\$ (259,144.00)

STATEMENT APPROVAL
RCM 
KJM _____
SAZ _____

HILLCREST MHC LLC
Comparative Balance Sheet

	2009	2010	2011
	<u>Assets</u>		
<u>Current Assets</u>			
CHECKING ACCOUNTS	\$ (15,794.53)	\$ (23,596.75)	\$ 4,269.23
PREPAID EXPENSES	<u>2,523.22</u>	<u>2,132.46</u>	<u>1,426.37</u>
Total Current Assets	\$ (13,271.31)	\$ (21,464.29)	\$ 5,695.60
<u>Long Term Assets</u>			
LAND	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
FURNITURE AND FIXTURES	4,970.00	4,970.00	4,970.00
BATHROOM CABINETS		698.06	698.06
COMPUTERS & EQUIPMENT	390.00	390.00	877.30
MAINTENANCE EQUIPMENT/TOOLS	1,266.30	2,174.67	2,977.73
LAND IMPROVEMENTS	1,449,969.49	1,455,845.38	1,455,845.38
ELECTRICAL AND UTILITIES	6,550.00	6,550.00	6,550.00
LANDSCAPING		1,650.00	1,650.00
MISC LAND IMPROVEMENTS	102,626.26	102,626.26	102,626.26
WATER AND SEWER	53,533.15	53,533.15	53,533.15
WASTE WATER IMPROVEMENTS	1,000.00	4,789.19	4,789.19
BUILDING IMPROVEMENTS	1,400.00	1,400.00	1,400.00
DOORS	673.63	673.63	673.63
COMPUTER SOFTWARE	288.77	288.77	288.77
ACC DEP - FURNITURE	(5,273.00)	(5,837.04)	(5,981.04)
ACC DEP - EQUIPMENT	(1,050.04)	(1,938.08)	(2,189.12)
ACC DEP - LAND IMPROVEMENTS	(846,937.08)	(922,403.16)	(1,012,833.12)
ACC DEP - ELECTRICAL AND UTILI	(6,110.84)	(6,402.80)	(6,550.00)
ACC DEP - WATER AND SEWER	(52,779.12)	(74,338.20)	(74,338.20)
ACC DEP - BUILDING IMPROVEMENT	(266.00)	(317.00)	(365.00)
ACC DEP - COMPUTER SOFTWARE	(169.00)	(217.00)	(288.77)
DEFERRED MORTGAGE COSTS	125,561.35	125,561.35	125,561.35
ORGANIZATION COSTS	3,213.06	3,213.06	3,213.06
START UP COSTS	2,630.00	2,630.00	2,630.00
AA - DEFERRED MORTGAGE COSTS	(90,727.28)	(103,284.32)	(115,841.36)
AA - ORGANIZATION COSTS	(3,212.72)	(3,212.68)	(3,213.10)
AA - SET UP COSTS	<u>(2,629.96)</u>	<u>(2,629.96)</u>	<u>(2,629.96)</u>
Total Long Term Assets	\$ 894,916.97	\$ 796,413.28	\$ 694,054.21
 Total Assets	 <u>\$ 881,645.66</u>	 <u>\$ 774,948.99</u>	 <u>\$ 699,749.81</u>

Liabilities and Equity

Current Liabilities

DUE TO RELATED COMPANIES	\$ 377,772.24	\$ 511,102.91	\$ 532,418.86
ACCOUNTS PAYABLE	17,917.26	(712.91)	40,860.39
SECURITY DEPOSITS PAYABLE	860.84		
ACCRUED EXPENSES	29,515.79	41,485.02	100,795.07
MA TAXES PAYABLE	888.00	1,140.00	1,140.00
CURRENT PORTION LT DEBT		35,642.03	1,609,702.28
DEFERRED RENT	<u>11,162.35</u>	<u>9,715.80</u>	<u>12,077.05</u>
Total Current Liabilities	\$ 438,116.48	\$ 598,372.85	\$ 2,297,013.65

Long Term Liabilities

MORTGAGE PAYABLE - IBC BANK	\$ 1,678,797.50	\$ 1,609,695.98	
LOAN PAYABLE - RCM			<u>95,000.00</u>
Long Term Liabilities	<u>\$ 1,678,797.50</u>	<u>\$ 1,609,695.98</u>	<u>\$ 95,000.00</u>
Total Liabilities	\$ 2,116,913.98	\$ 2,208,068.83	\$ 2,392,013.65

Equity

Retained Earnings	\$ (1,080,103.20)	\$ (1,235,268.32)	\$ (1,433,119.84)
Net Income	<u>(155,165.12)</u>	<u>(197,851.52)</u>	<u>(259,144.00)</u>
Total Equity	\$ (1,235,268.32)	\$ (1,433,119.84)	\$ (1,692,263.84)
Total Liabilities & Equity	<u>\$ 881,645.66</u>	<u>\$ 774,948.99</u>	<u>\$ 699,749.81</u>

STATEMENT APPROVAL
RCM 
KJM _____
SAZ _____

Hillcrest MHC LLC

2012 Budget

February 14, 2012

3:49 pm

	2012 Annual Amount
REVENUE	<u>\$ 203,436.00</u>
TOTAL REVENUE	\$ 203,436.00
EXPENSES	
ELECTRICITY	\$ 1,320.00
SEWER & WATER	72,744.00
GAS & OIL	<u>1,200.00</u>
TOTAL UTILITIES	\$ 75,264.00
SUPPLIES	\$ 2,640.00
CONTRACT REPAIRS	16,980.00
GROUNDS	9,360.00
PAINTING	180.00
TRANSPORTATION	1,200.00
SNOW REMOVAL	4,152.00
TRASH REMOVAL	<u>8,124.00</u>
TOTAL MAINTENANCE	\$ 42,636.00
PAYROLL - PROPERTY MANAGER	\$ 26,780.00
PAYROLL - MAINTENANCE	16,068.00
PR TAXES - FICA/MEDICARE	3,277.87
PR TAXES - FUTA	428.48
PR TAXES - SUI	2,570.88
PR INSURANCE - DISABILITY	312.00
PR INSURANCE - WRKMS COMP	240.00
PR INSURANCE - EMPLOYEE BENEFIT	8,673.60
EMPLOYEE BENEFITS - HA	<u>3,840.00</u>
TOTAL PERSONNEL EXPENSE	\$ 62,190.83
ADVERTISING	\$ 600.00
LEGAL & PROFESSIONAL	19,180.00
OFFICE & TELEPHONE	8,119.00
MANAGEMENT FEES	13,016.16
INSURANCE	2,445.24
REAL ESTATE/OTHER TAXES	<u>23,073.24</u>
TOTAL OTHER EXPENSES	\$ 66,433.64
TOTAL OPERATING EXPENSES	\$ 246,524.47
NOI	\$ (43,088.47)
INTEREST EXPENSE	\$ 101,389.60
INVESTOR/OTHER INTEREST EXPENSE	22,800.00
NET INCOME BEFORE DEP & AMORT	\$ (167,278.07)
DEPRECIATION & AMORTIZATION	\$ 103,659.00
NET INCOME	\$ (270,937.07)

HILLCREST MHC LLC
Income Statement
For the Period Ended February 29, 2012

March 26, 2012
8:47 am

	CURRENT YTD ACTUAL
ACTUAL RENTAL INCOME	\$ 32,758.00
FEEs, CHARGES & FORFEITURES	\$ 206.95
UTILITY REVENUE	<u>4,028.87</u>
TOTAL REVENUE	\$ 36,993.82
 EXPENSES	
ELECTRICITY	\$ 298.14
SEWER. & WATER	21,153.89
GAS & OIL	<u>53.82</u>
TOTAL UTILITIES	\$ 21,505.85
 SUPPLIES	\$ 70.66
GROUNDS	710.00
PAINTING	55.52
TRANSPORTATION	46.35
SNOW REMOVAL	82.98
TRASH REMOVAL	<u>1,370.98</u>
TOTAL MAINTENANCE	\$ 2,336.49
 PAYROLL	\$ 5,625.52
PAYROLL TAXES	624.90
HEALTH BENEFITS	1,437.18
OTHER BENEFITS	<u>366.00</u>
TOTAL PERSONNEL EXPENSE	\$ 8,053.60
 LEGAL & PROFESSIONAL	\$ 1,490.00
OFFICE & TELEPHONE	1,047.68
MANAGEMENT FEES	1,267.66
INSURANCE	407.54
REAL ESTATE/OTHER TAXES	<u>3,849.78</u>
TOTAL OTHER EXPENSES	\$ 8,062.66
 TOTAL OPERATING EXPENSES	<u>\$ 39,958.60</u>
NET	<u>\$ (2,964.78)</u>
 INTEREST EXPENSE	<u>\$ 17,310.92</u>
NET INCOME BEFORE DEP & AMORT	\$ (20,275.70)
 DEPRECIATION & AMORTIZATION	\$ 17,238.34
NET INCOME	<u><u>\$ (37,514.04)</u></u>

STATEMENT APPROVAL
RCM
KJM
SAZ

Hillcrest MHC, LLC
Exhibit # 5

HILLCREST MHC LLC

EMPLOYEE STATEMENT

NUMBER OF EMPLOYEES: 2

EMPLOYEE # 1

NAME: Betty Wadsworth

JOB TITLE: Property Manager

JOB DESCRIPTION: Oversee the day-to-day operational responsibilities of the properties, to include financial, marketing, customer service and staff management responsibilities. Also, handle recordkeeping and reporting responsibilities. Plus, oversee customer service, resident relations, maintenance department practices, vendor relations, marketing and leasing.

EMPLOYEE # 2

NAME: Jason Rodriguez

JOB TITLE : Maintenance

JOB DESCRIPTION: Perform general property maintenance

Hillcrest MHC, LLC Exhibit #6

HILLCREST MHC LLC

PROPOSED CAPITAL IMPROVEMENTS

WATER METER REPLACEMENT:

Town is requiring a water meter to be replaced. Estimated time of completion is unknown.

Hillcrest MHC, LLC

Exhibit #7

HILLCREST MHC LLC

CAPITAL IMPROVEMENT # 1

PURCHASE GENERATORS

PURCHASE DATE: 1/14/2011

ACCOUNTING DATE: 2/9/2011

THURSDAY, January 13, 2011 7:40 AM

To: KIM PURICELLI

Please add HomeDepotCustomerCare@email.homedepot.com to your address book or safe list to ensure our emails reach your inbox. Having trouble viewing this email? [View it as a Web page.](#)



More saving. More doing.

Shipping Confirmation

Dear Kimberly Puricelli,

Thank you for your order with homedepot.com. Your order number is W119030077. Follow [this link](#) to check on the status of your order. We are pleased to inform you that we have shipped one or more items.

The Home Depot Emails

Sign up now to receive exclusive offers, promotions, home improvement tips & more.

Sign Up

Shipping Date: Jan 13, 2011 6:51:17 AM EST
Order Date: Jan 10, 2011 10:10:25 PM



8119 04 07619 01/13/2011 9477

Return Policy Code Definitions

Policy	ID	Days	Policy Expires on
A	5	30	02/12/2011

Returns Associate Instructions

- Scan/enter receipt barcode
- Scan/enter item UPC

Quantity Ordered	UPC Code	Product Description	Unit Price	Return Policy Line	Quantity Shipped	Amount
3	852392001017	3000 Watt Portable Generator(2700 Surge Wattage) with Free Wheel Kit	\$219.00	A	3	\$657.00
		Shipping				\$105.00
Ship to Address						
11 Gladys Drive						
Middleboro						
MA, 02346						
						Merchandise Subtotal
						\$657.00
						Shipping Total
						\$105.00
						Sales Tax total
						\$41.06
						Shipped Order total
						\$803.06
						XXXXXXXXXXXX1100 VISA
						\$803.06

Tracking Your Shipment

Your shipment(s) can be tracked using the carrier information below. The carrier can only provide tracking information. For information about your order other than tracking, contact our Customer Service Center at 1-800-430-3376.

Carrier: UPS
Carrier Web Site: <http://www.ups.com/>
Tracking Number(s): 1Z40E35V0349655022

Customer Service

For further assistance, contact us online at www.homedepot.com/contactus or call our Internet Customer Service Center at 1-800-430-3376 Monday through Sunday: 6 a.m. to 2 a.m. Eastern time.

Please do not reply to this email as messages sent to this address are not monitored and we are not able to respond to

Hi Karest
60700-31

UPS Tracking Notification, Tracking Number 1Z40E35V0349655022

UPS Quantum View [auto-notify@ups.com]

Sent: Friday, January 14, 2011 9:24 AM

To: KIM PURICELLI



At the request of Kimberly, this notice alerts you of the status of the shipment listed below.

Tracking Detail

Your package is on time with a scheduled delivery date of 01/14/2011

Tracking Number: 1Z40E35V0349655022
 Type: Package
 Status: **On Vehicle for Delivery Today**
 Scheduled Delivery: 01/14/2011
 Shipped To: MIDDLEBORO, MA, US,
 Shipped/Billed On: 01/12/2011
 Service: UPS Ground
 Weight: 93.70 Lbs

Shipment Progress

Location	Date	Local Time	Activity
Brockton, MA, United States	01/14/2011	4:23 A.M.	Out For Delivery
	01/14/2011	1:06 A.M.	Arrival Scan
Shrewsbury, MA, United States	01/13/2011	11:31 P.M.	Departure Scan
	01/13/2011	6:00 P.M.	Arrival Scan
Saddle Brook, NJ, United States	01/13/2011	1:32 P.M.	Departure Scan
	01/13/2011	11:35 A.M.	Arrival Scan
Laurel, MD, United States	01/13/2011	7:28 A.M.	Departure Scan
	01/13/2011	1:02 A.M.	Arrival Scan
Hagerstown, MD, United States	01/12/2011	10:30 P.M.	Departure Scan
	01/12/2011	8:41 P.M.	Origin Scan
Niagara Falls, NY, United States	07/14/2010	11:30 A.M.	Delivered
United States	01/12/2011	12:56 A.M.	Order Processed: Ready for UPS

Tracking results provided by UPS: 01/14/2011 9:24 A.M. Eastern Time

607
UPS: Tracking Information
Hillcrest

United States

Log-in

My UPS Shipping Tracking Freight Locations Support Business Solutions

Tracking Number

Tracking Detail

Print Help

1Z40E35V0349655022

Updated: 01/14/2011 9:22 A.M. Eastern Time

On Vehicle for Delivery Today

Shipping Information

To: MIDDLEBORO, MA, US

Scheduled Delivery:
Friday, 01/14/2011, By End of Day

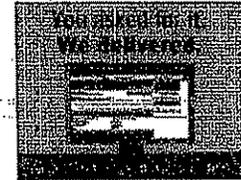
Last Location:
Brockton, MA, United States, Friday, 01/14/2011

Shipped By

UPS Ground

Additional Information

Shipped/Billed On: 01/12/2011
Type: Package
Weight: 93.70 lbs



Shipment Progress

Location	Date	Local Time	Activity	What's This?
Brockton, MA, United States	01/14/2011	4:23 A.M.	Out For Delivery	
	01/14/2011	1:06 A.M.	Arrival Scan	
Shrewsbury, MA, United States	01/13/2011	11:31 P.M.	Departure Scan	
	01/13/2011	6:00 P.M.	Arrival Scan	
Saddle Brook, NJ, United States	01/13/2011	1:32 P.M.	Departure Scan	
	01/13/2011	11:35 A.M.	Arrival Scan	
Laurel, MD, United States	01/13/2011	7:28 A.M.	Departure Scan	
	01/13/2011	1:02 A.M.	Arrival Scan	
Hagerstown, MD, United States	01/12/2011	10:30 P.M.	Departure Scan	
	01/12/2011	8:41 P.M.	Origin Scan	
Niagara Falls, NY, United States	07/14/2010	11:30 A.M.	Delivered	
United States	01/12/2011	12:56 A.M.	Order Processed: Ready for UPS	

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ATTN: CROSS
16010010031

homedepot.com

Packing List
for
Package 3 of 3
Order Confirmation #
WH19040077

Ship to:
Betty Ann Wadsworth
11 Gladys Drive
(308)521-8496
MIDDLEBORO MA 02345



Vendor Reference	Qty Ordered	Vendor Item #	Description	Qty B/O	Qty Shipped	Pkg #	Expected Weight
	1	523147	TG0030 3500W/3000W GENERATOR		1	3	93.70

Write a product review for a chance to win a Gift Card at hd.com! Visit hd.com for details.

Date Shipped: 1/12/11 8:50:53 AM
PO #: N013580
TRANS #
INV #
SHIP VIA: 501A VIA
TOTAL WEIGHT: 93.70
TOTAL: 28.10
REPLACES: N013580
ACCOUNT: 808115
PRINTED: 1/21/11 8:59:23

RETURNED ITEMS
Please fill in item number, quantity, description, and reason code for each item being returned.

Item Number	Qty	Description	Reason Code	Comments

AGE: 1

RETURN ADDRESS

After receiving the RETURN POLICY BASICS and TO PREPARE YOUR RETURN forms, please send eligible returns from this order to the following address:
16502 HUNTERS GREEN PARKWAY
HAGERSTOWN MD 21740

RETURN POLICY BASICS

For our complete return policy, please visit www.homedepot.com/returns
* Most merchandise must be returned within 90 days in original, factory condition.
* If available, use original packaging to return all items.
* All returns will be credited back to the original credit card within 5-7 business days of receiving the returned item at our warehouse.
* Shipping costs will not be paid by The Home Depot when returning items due to general dissatisfaction or purchaser regret.

TO PREPARE YOUR RETURN

- 4 Easy Options**
 - A. Ship the package on your own**
 - Complete the RETURNED ITEMS area found at the bottom of this page and place a copy of this form in the box.
 - Place the item in original packaging.
 - Ship the item(s) using the address on the prepaid label.
 - B. Ship the package using our prepaid return label**
 - Charges will be billed to your credit card!
 - Complete the RETURNED ITEMS area located at the bottom of this page and place a copy of this form in the box.
 - Place the item in original packaging.
 - Apply the prepaid label over the top of the original shipping label and take to a shipping location of the your carrier or the label.
 - C. Return to Store**
 - Bring the item(s) with a copy of your shipping confirmation e-mail to your local Home Depot store 51 a number 16731.
 - D. Call**
 - For larger items or for any other questions, please call our Customer Service Center at 1-800-452-5376.
- NOTE: Federal law prohibits items that use flammable liquids or gas from being returned through mail.
Customer made products such as paint samples and custom cut mats are not returnable.

RETURN CODE OPTIONS

Please note reason code below for each item returned

- 01 = Defective Merchandise
- 09 = Damaged Merchandise
- 12 = Late Delivery
- 13 = Received Wrong Product
- 14 = Changed Mind / Didn't Like
- 15 = Ordered Wrong Product

Hillcrest MHC, LLC
Exhibit #8

HILLCREST MHC LLC

CAPITAL IMPROVEMENT # 2

PURCHASE PRINTER

PURCHASE DATE: 2/21/2011

ACCOUNTING DATE: 3/14/2011

*MAKING
ANDERSEN-022811A*

Tran Date		Post Date	Reference Number	Transaction Description	Amount
PURCHASES \$3,038.57			CASH ADVANCES \$0.00		
FEES \$0.00			CREDITS \$0.00		
TOTAL ACTIVITY \$3,038.57					
02/02	02/04	71034355139606594	PCCSALES 800-8000011 NH MCC: 5045 MERCHANT ZIP: 03054 ORDER NUMBER: ORDER#:46572524 INVOICE NUMBER: ORDER #:4657252 LOCAL TAX: 28.16 LOCAL TAX INDICATOR: 1 NATIONAL TAX: 28.16 NAT. TAX INDICATOR: 1 FREIGHT AMOUNT: 17.84 DEST. POSTCODE: 14534	399.43	
02/05	02/07	71037356139766924	PCCSALES 800-8000011 NH MCC: 5045 MERCHANT ZIP: 03054 ORDER NUMBER: ORDER#:46581810 INVOICE NUMBER: ORDER #:4658181 LOCAL TAX: 31.57 LOCAL TAX INDICATOR: 1 NATIONAL TAX: 31.57 NAT. TAX INDICATOR: 1 FREIGHT AMOUNT: 40.00 DEST. POSTCODE: 14701	495.66	
02/05	02/07	71037555983283544	PCCSALES 800-8000011 NH MCC: 5045 MERCHANT ZIP: 03054 ORDER NUMBER: ORDER#:46581753 INVOICE NUMBER: ORDER #:4658175 LOCAL TAX INDICATOR: 2 NAT. TAX INDICATOR: 0 FREIGHT AMOUNT: 40.00 DEST. POSTCODE: 19713	460.99	
02/09	02/11	71041462184410311	PCCSALES 800-8000011 NH MCC: 5045 MERCHANT ZIP: 03054 ORDER NUMBER: ORDER#:46572524 INVOICE NUMBER: ORDER #:4657252 LOCAL TAX: 3.84 LOCAL TAX INDICATOR: 1 NATIONAL TAX: 3.84 NAT. TAX INDICATOR: 1 FREIGHT AMOUNT: 2.43 DEST. POSTCODE: 14534	54.46	
02/16	02/17	71047782945485391	PCCSALES 800-8000011 NH MCC: 5045 MERCHANT ZIP: 03054 ORDER NUMBER: ORDER#:46607301 INVOICE NUMBER: ORDER #:4660730 LOCAL TAX: 33.68 LOCAL TAX INDICATOR: 1 NATIONAL TAX: 33.68 NAT. TAX INDICATOR: 1 FREIGHT AMOUNT: 40.00 DEST. POSTCODE: 14450	497.87	
02/21	02/22	71052494091362520	BORDERS BKS&MU01003649 VICTOR NY MCC: 5942 MERCHANT ZIP: 14564 LOCAL TAX: 10.12 LOCAL TAX INDICATOR: 1 NAT. TAX INDICATOR: 0	145.09	
02/22	02/24	71052432210351804	PCCSALES 800-8000011 NH MCC: 5045 MERCHANT ZIP: 03054 ORDER NUMBER: ORDER#:46530213 INVOICE NUMBER: ORDER #:4653021 LOCAL TAX: 26.31 LOCAL TAX INDICATOR: 1 NATIONAL TAX: 26.31 NAT. TAX INDICATOR: 1 FREIGHT AMOUNT: 40.00 DEST. POSTCODE: 14239	487.30	
02/26	02/26	71058416882505475	PCCSALES 800-8000011 NH MCC: 5045 MERCHANT ZIP: 03054 ORDER NUMBER: ORDER#:46646056 INVOICE NUMBER: ORDER #:4664605 LOCAL TAX: 33.68 LOCAL TAX INDICATOR: 1 NATIONAL TAX: 33.68 NAT. TAX INDICATOR: 1 FREIGHT AMOUNT: 40.00 DEST. POSTCODE: 14612	497.87	

E	VENDOR	PROPERTY	PROPERTY #	GL CODE	AMOUNT	DESCRIPTION
ANDERSEN-022811A						
2/2/2011	PCCSALES	***SEE BELOW		16200.02	\$ 399.43	CARD READERS
2/5/2011	PCCSALES	NEWARK	200-700-237	16200.03	\$ 495.56	PRINTER
2/5/2011	PCCSALES	JAMESTOWN	100-075-008	16200.03	\$ 460.99	PRINTER
2/9/2011	PCCSALES	***SEE BELOW		16200.02	\$ 54.46	CARD READERS
2/15/2011	PCCSALES	KNOLLWOOD	200-250-271	16200.03	\$ 497.87	PRINTER
2/21/2011	BORDERS	MOR MANAGE	050-050-014	60200.45	\$ 145.09	COMPUTER BOOKS
2/22/2011	PCCSALES	HILLCREST MHC	100-250-063	16200.03	\$ 487.30	PRINTER
2/25/2011	PCCSALES	IMPERIAL	200-950-109	16200.03	\$ 497.87	PRINTER
					\$ 3,038.57	
					\$1,213.98	MHC & COM TOTAL
					\$-1,824.59	APT-TOTAL

CARD READERS

INVOICE TOTAL W/TAX \$453.89

Co. #	Complex	# Units	Percentage	% CHARGED
-------	---------	---------	------------	-----------

100-050-004	Northrup of W	140	0.733%	\$3.33
100-050-005	Countryside MHC	202	1.057%	\$4.80
100-050-006	Erin Estates Inc	66	0.345%	\$1.57
100-050-009	Coyuga Lake MH	149	0.780%	\$3.54
100-050-018	Gypsum Mills East	412	2.156%	\$9.79
100-050-019	Gypsum Mills West	150	0.785%	\$3.58
100-050-029	Whitney Point M	100	0.523%	\$2.38
100-050-032	Kirkwood MHC L	81	0.424%	\$1.92
100-050-053	Northern Pines	247	1.293%	\$5.87
100-152	Canalside Estate	132	0.691%	\$3.14
100-075-001	Countryside MHC	33	0.173%	\$0.78
100-075-002	Prestige Commun	320	1.675%	\$7.60
100-075-003	Hornell MHP LLC	93	0.487%	\$2.21
100-075-007	Ridgewood Villag	64	0.335%	\$1.52
100-075-008	Jamestown MHP	78	0.408%	\$1.85
100-075-010	Lakeville Estates	55	0.288%	\$1.31
100-075-020	NIS Hollow MHC	129	0.675%	\$3.06
100-075-021	Prestige Commun	1	0.005%	\$0.02
100-075-024	Bloomdale LLC	82	0.429%	\$1.95
100-075-027	Brocton LLC	31	0.162%	\$0.74
100-075-030	Twin Oaks MHC	141	0.738%	\$3.48
100-100-031	Apple Grove MH	79	0.413%	\$1.88
100-200-039	Hidden Creek LL	272	1.423%	\$6.46
100-200-066	Whispering Wood	165	0.864%	\$3.92
100-250-026	Pine Valley	95	0.497%	\$2.26
100-250-050	Allendale	56	0.293%	\$1.33
100-250-060	Mountain View	90	0.471%	\$2.14
100-250-061	Spruces	226	1.183%	\$5.37
100-250-062	Wheel Estates	200	1.047%	\$4.75
100-250-063	Hillcrest MHC L	97	0.508%	\$2.30
100-250-072	Easton	122	0.638%	\$2.90
100-250-176	Jockyville Estate	70	0.366%	\$1.66
100-250-177	Della Mobile Est	29	0.152%	\$0.69
100-250-178	Park Place MHP	62	0.324%	\$1.47
100-875-033	VV LLC	51	0.267%	\$1.21
100-875-034	VV LLC Pine Med	33	0.173%	\$0.78
100-875-035	VV LLC Silver L	17	0.089%	\$0.40
100-875-036	VV LLC Indian S	38	0.199%	\$0.90

1910% TOTAL UNITS/LOTS
100.00%

Transaction Date: 2/22
 Printer for Hillcrest MHP

Thomas Andersen
thomas.andersen@morganmanagement.com
 Network Systems Administrator, CCA
 Morgan Management LLC
 1170 Pittsford Victor Road
 Pittsford, NY 14534
 Phone: (585) 419-9630

From: Corporate Sales [mailto:customer@pcconnection.com]
Sent: Tuesday, February 22, 2011 8:07 AM
To: Thomas Andersen
Subject: PC Connection Shipping Confirmation #46630214



Dear THOMAS ANDERSEN:

Thank you for shopping with PC Connection.

This notice confirms your order# 46630214 has shipped and is now complete.

Shipment Details:

Shipped To:

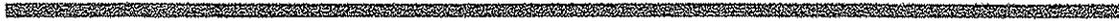
BETSY WADSWORTH
 HILLCREST MANUFACTURED HOME COMMUNITY
 79 E GROVE ST
 MIDDLEBORO, MA 02346

Qty	Item #	Product	Shipping Information
1	8979815	PHASER 3300MFP/X 30 PPM <u>Check for Rebates</u>	Date Shipped: 2/21/2011 Carrier: UPS - GROUND COMMERCIAL Tracking Number: <u>1Z9306X4033777698</u>

CUSTOMER CARE:

- To track delivery, just click on the tracking link(s) above.
- If you've ordered an item that has a REBATE associated with it, you can now access our new Rebate Center or the link above to check for rebates. *Please read redemption requirements on your rebate form prior to discarding any packaging.* Please be aware that rebate forms will not be included with your shipment.
- To get a copy of your PROOF OF PURCHASE, visit our Order Tracking/History page and enter your *Order Number* and *Zip Code*.
- To see our return policy click here.

snair@pccconnection.com sent you the following page. It will expire on 5/2/2012.
This is only a snapshot view of the requested page.



Proof Of Purchase

RECORDS

Note: Use this Proof Of Purchase for any Mail-In Rebates.

Order Summary Order Date: 02/21/2011 Order #: 46630214 Purchase Order #: Status: Shipped Purchased By: THOMAS ANDERSEN	Sold To THOMAS ANDERSEN MORGAN MANAGEMENT 1170 PITTSFORD VICTOR RD STE 100 PITTSFORD, NY, 14534	Send Payment To PC Connection PO Box 382808 Pittsburgh, PA 15250-8808 Federal ID: 02-049-7006 Company: 00001
Order Method: Other Credit Card Number Payment Type: VISA Ship Via: UPS GROUND COMMERCIAL	Ship To BETSY WADSWORTH HILLCREST MANUFACTURED HOME COMMUNITY 79 E GROVE ST MIDDLEBORO, MA 02346	

Product Description	Qty	Unit Price	Total
PHASER 3300MFP X 30 PPM Mfr.: XEROX PRINTER DIVISION Item #: 8979815 Mfr. Part #: 3300MFP X Serial #: NRB075964	1	\$420.99	\$420.99
Invoice #1 47519853 Invoice Date: 02/21/2011 Ship Date: 02/21/2011		Shipment Subtotal: \$420.99 Shipment Shipping & Handling: \$40.00 Shipment Tax: \$26.31 Shipment Total: \$487.30	

For electronic funds transfer, please remit to:
 ACH:
 Citizens Bank, ABA # 211070175, Account# 1310873248

Wire:
 Citizens Bank, ABA # 011500120, Account# 1310873248

Please include invoice number(s) in the transmitted information

*We provide more timely and accurate information to the business community by sharing our accounts receivable information with D&B and Experian.

Total:	\$420.99
Total Shipping & Handling:	\$40.00
Total Tax:	\$26.31
Grand Total:	\$487.30

All returns require prior authorization. Returns must be authorized by PC Connection Sales Corp within 30 days of purchase. We will replace or repair, at our sole discretion, any product that is deemed defective. After 30 days, the manufacturer's warranty process must be followed. [Click here](#) to see our complete return policy.

Hillcrest MHC, LLC

MORGAN MANAGEMENT LLC
 HILLCREST MHC LLC
 RENT ROLL
 AS OF 12/31/2011

Exhibit #9

TENEANT'S NAME	DATE LEASE EXPIRES (MO/DAY/YR)	DATE RENT LAST SET (MO/DAY/YR)	CURRENT MONTHLY RENT	CURRENT MONTHLY TOWN TAX
CERRATO JR;JOSEPH	11/30/13	12/01/08	\$ 1,000.00	
BERGERON;JAMES	11/30/13	12/01/08	\$ 171.00	\$ 12.00
LEVEILLE;ROLAND	11/30/13	12/01/08	\$ 171.00	\$ 12.00
HORSMAN(OWNER);TAMMY	11/30/13	12/01/08	\$ 171.00	\$ 12.00
DICKINSON;BEVERLY	11/30/13	12/01/08	\$ 171.00	\$ 12.00
RAY;RICHARD	11/30/13	12/01/08	\$ 171.00	\$ 12.00
WADSWORTH;ELTON	11/30/13	12/01/08	\$ 171.00	\$ 12.00
SPARROW;ANNA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
CELIS;ADELAIDA	07/29/16	07/30/11	\$ 171.00	\$ 12.00
HARRISON;MARIE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
ROLLINS;BETTY	11/30/13	12/01/08	\$ 171.00	\$ 12.00
DACOSTA;MILDRED	11/30/13	12/01/08	\$ 171.00	\$ 12.00
HORSMAN (2) (OWNER);TAMMY	11/30/13	12/01/08	\$ 171.00	\$ 12.00
CHADWICK;NANCY	11/30/13	12/01/08	\$ 171.00	\$ 12.00
LETENDRE;CECILE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
WILLSON;CORINNA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
GARLAND SR.;CHESTER	11/30/13	12/01/08	\$ 171.00	\$ 12.00
MCCLELLAND;JR;FRANK	03/30/16	03/31/11	\$ 171.00	\$ 12.00
COVEL;ROBERT	11/30/13	12/01/08	\$ 171.00	\$ 12.00
JEE;FRANCIS	11/30/13	12/01/08	\$ 171.00	\$ 12.00
STODDARD;PATRICIA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
FREITAS;IRENE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
PETTY;BRADFORD	11/30/13	12/01/08	\$ 171.00	\$ 12.00
WILMOTH;DORIS	11/30/13	12/01/08	\$ 171.00	\$ 12.00
DICOSTANZO;MARILYN	11/30/13	12/01/08	\$ 171.00	\$ 12.00
WARE;ALAN	11/30/13	12/01/08	\$ 171.00	\$ 12.00
KAHIAN;LEO	11/30/13	12/01/08	\$ 171.00	\$ 12.00
STEWART;EVELYN	11/30/13	12/01/08	\$ 171.00	\$ 12.00
CROWLEY;DOUGLAS	11/30/13	12/01/08	\$ 171.00	\$ 12.00
CAMERON;ALAN	11/30/13	12/01/08	\$ 171.00	\$ 12.00
BAKER;JANET	11/30/13	12/01/08	\$ 171.00	\$ 12.00
CAPEAU;BEVERLY	11/30/13	12/01/08	\$ 171.00	\$ 12.00
RASTA;MARJORIE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
FINNERAN;DONNA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
JOHNSON;PATRICIA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
MCCARTHY (SUBLET); GARY	11/30/13	12/01/08	\$ 171.00	\$ 12.00
EATON;CHARLES	11/30/13	12/01/08	\$ 171.00	\$ 12.00
SEARS JR.;HERBERT	11/30/13	12/01/08	\$ 171.00	\$ 12.00
FERGUSON;ANGUS	11/30/13	12/01/08	\$ 171.00	\$ 12.00
TRIEGER;IRENE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
BAKER;STEPHEN	07/31/14	08/01/09	\$ 171.00	\$ 12.00
COLSON;HERBERT	11/30/13	12/01/08	\$ 171.00	\$ 12.00
GRAVELIN;CAROLYN	07/16/14	07/17/09	\$ 171.00	\$ 12.00
BOOKER;GARY	01/13/16	01/14/11	\$ 171.00	\$ 12.00
GARRIDO;VINCENT	11/30/13	12/01/08	\$ 171.00	\$ 12.00
BRADLEY;CAROL	06/02/16	06/03/11	\$ 171.00	\$ 12.00
SHEALY;MARILYN	11/30/13	07/01/08	\$ 171.00	\$ 12.00
DENAUT;PETER	12/04/14	12/05/09	\$ 171.00	\$ 12.00
CHAPMAN;PATRICIA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
PILLA;CECILIA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
WALSH;TERESA	11/30/13	12/01/08	\$ 171.00	\$ 12.00

MORGAN MANAGEMENT LLC
HILLCREST MHC LLC
RENT ROLL
AS OF 12/31/2011

TENEANT'S NAME	DATE LEASE EXPIRES (MO/DAY/YR)	DATE RENT LAST SET (MO/DAY/YR)	CURRENT MONTHLY RENT	CURRENT MONTHLY TOWN TAX
RUSSO;ROSE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
GILMAN;MARGARET	11/30/13	12/01/08	\$ 171.00	\$ 12.00
ALDEN, SR;DONALD	08/27/15	08/28/10	\$ 171.00	\$ 12.00
ROMA;ELIZABETH	11/30/13	12/01/08	\$ 171.00	\$ 12.00
SHEPARD;NELSON	11/30/13	12/01/08	\$ 171.00	\$ 12.00
DAGEY;JOANNE	11/22/15	11/23/10	\$ 171.00	\$ 12.00
KERR;GARY	01/29/14	01/30/09	\$ 171.00	\$ 12.00
MCCOMBES;JOHN	11/30/13	12/01/08	\$ 171.00	\$ 12.00
ROBBINS;JANE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
PRETI;DANA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
BARRIAULT(OWNER);SHIRLEY	11/30/13	12/01/08	\$ 171.00	\$ 12.00
CUDDY JR.;FRANCIS	11/30/13	12/01/08	\$ 171.00	\$ 12.00
STEELE;ROSE MARIE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
TURNBULL;THOMAS	11/30/13	12/01/08	\$ 171.00	\$ 12.00
THAYER;RICHARD	10/17/16	10/18/11	\$ 171.00	\$ 12.00
COSMO;JOYCE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
SEARS SR;HERBERT	11/30/13	12/01/08	\$ 171.00	\$ 12.00
EATON;CHARLENE	06/30/14	07/01/09	\$ 171.00	\$ 12.00
BLACKDEN;WILLIAM	11/30/13	12/01/08	\$ 171.00	\$ 12.00
BANGS;ALBERT	08/16/15	08/17/10	\$ 171.00	\$ 12.00
CORMIER JR.;JOHN	11/30/13	12/01/08	\$ 171.00	\$ 12.00
BROWN;RONALD	11/30/13	12/01/08	\$ 171.00	\$ 12.00
ULIANELLI;JOSEPH	11/30/13	12/01/08	\$ 171.00	\$ 12.00
BORGES;DIANNE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
FENG YAN LUI (OWNER)	10/07/15	10/08/10	\$ 171.00	\$ 12.00
RICHARD;JOSEPH	11/30/13	10/01/08	\$ 171.00	\$ 12.00
EATON;DIANE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
DUBE;THERESA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
HAYWARD SR;ROBERT	11/30/13	12/01/08	\$ 171.00	\$ 12.00
LINDFORS;BARBARA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
COPPOLA;FRANCES	11/30/13	12/01/08	\$ 171.00	\$ 12.00
FRAZIO;RICHARD	03/25/16	03/26/11	\$ 171.00	\$ 12.00
GATES;DONNA	07/31/14	08/01/09	\$ 171.00	\$ 12.00
KUPCHUN;WILLIAM	11/30/13	12/01/08	\$ 171.00	\$ 12.00
TUBMAN, JR.;KENNETH	06/20/16	06/21/11	\$ 171.00	\$ 12.00
IBBITSON;RAYMOND	11/30/13	12/01/08	\$ 171.00	\$ 12.00
CHIODI;VIOLETTA	11/30/13	12/01/08	\$ 171.00	\$ 12.00
GALANTE;RALPH	12/08/16	12/09/11	\$ 171.00	\$ 12.00
RIVARD;J. JACQUES	11/30/13	12/01/08	\$ 171.00	\$ 12.00
BEAUDREAU;ROBERT	11/30/13	12/01/08	\$ 171.00	\$ 12.00
MCCABE;FRANCES	11/30/13	12/01/08	\$ 171.00	\$ 12.00
FERREIRA;DALE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
MINKLE;ISABELLE	11/30/13	12/01/08	\$ 171.00	\$ 12.00
OTHER UPDATES: PHYLLIS MULDOON MOVED OUT, NO ONE MOVED INTO THE LOT				

Hillcrest MHC, LLC

Exhibit # 10

THE BANK OF
CASTILE
A Tompkins Community Bank

February 15, 2012

Robert Kraus, Esq.
Kraus & Hummel LLP
99A Court Street
Plymouth, MA 02360

Re: Hillcrest MHC LLC (95 Lot MHC)
79 East Grove Street, Middleborough, MA 01246

Dear Attorney Kraus:

The Bank of Castile has recently undertaken review of the above referenced project which is a rent controlled, investment-related real estate project. Based upon the profile of the project, we suggest applicable interest rate range between 5.5% and 7.5% with variability deriving from a variety of factors. Factors that may impact the rate we may offer to a borrower for a project of this type include:

- Appetite for investment real estate
- Depository relationship
- Borrower's relationship with the lender

We have a long history of assisting companies and individuals secure financing for both businesses and real estate investment/development. Based upon our review of the above referenced project, given its rent controls, it is our opinion that a minimum interest rate of 7% would be applicable.

We hope that you find this information helpful. If we can provide further assistance regarding this matter, please do not hesitate to contact me at (585) 368-7510.

Sincerely,



Peter W. Hin
Vice President

PWH/clc

724 Long Pond Road • Rochester, New York 14612 • (585) 368-7510 • Fax (585) 225-7564

Hillcrest MHC, LLC Exhibit # 11

Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From: 1996 To: 2012

include graphs

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Data extracted on: April 25, 2012 (11:15:58 AM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1
1996	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6	156.9	155.8
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	160.5	159.9
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9	163.0	162.3
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	166.6	165.4
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	172.2	170.8
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	177.1	176.6
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	179.9	178.9
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	184.0	183.3
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598
2012	226.665	227.663	229.392											

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RENT CONTROL HEARING
HILLCREST MHC, LLC MOBILE HOME PARK
PETITION FOR RENT INCREASE

WEDNESDAY 4/25/12

RENT "BOARD" EXHIBITS

Rent Board Exhibit #1

Questions Related to Hillcrest Rent Increase Hearing

- #1. ✓ What is the fair market value based on? Is it the tax assessed value assigned by the town? If so what year?
- #2. ✓ How many units are in the park? Your rent calculation uses 89 but the listing has 93 units.
- #3. ✓ How are you treating the house at the main entrance? Is it considered part of the park?
- #4. ✓ Why is tenant Cerrato being charged \$1,000 per month?
- #5. ✓ You used a 7% interest rate based on your banks opinion. What is your current interest being paid?
- #6. ✓ What is driving the increase in contract repairs, ground repairs in 2010 and 2011? These increases continue in your projections for 2012.
- #7. ✓ What is driving increase in personnel costs 2010 and 2011 and another 14K increase in 2012?
- #8. ✓ Do you have a management company? What services do they perform? How many parks do they serve? How do you allocate the cost between the parks? What is the profit margin of the management company? Why a 40% increase in 2012?
- #9. ✓ What is driving the increase in legal and office and telephone costs?
- #10. ✓ What is investor and interest costs and what is causing the increase?
- #11. ✓ Why such a large increase in sewer and water charges 2010 and 2011 almost 48%? Has management looked for leaks?
- #12. ✓ ~~What is non-recurring expense in 2010 of 11K in 2010?~~

13. ✓ Have you made any capital improvements to the park during your ownership? If so what were they and what were their costs? *Meter*
14. ✓ Our rent regulations define capital improvements as improvements costing at least \$5,000 and having a useful life of at least 5 years. Are you planning any capital improvements in the near future?
15. ✓ It has been reported to us that drainage structures have overflowed and a septic system has backed up. Are there any capital improvements needed in these utilities? *pump repaired*
16. ✓ What is the status of the park water meter? Has it been replaced and at what cost?
17. ✓ What cause the liability Due to Related Companies? What is the related Company and what services were performed to create the liability?
18. ✓ Why such a large increase in accrued expenses in 2010 and 2011?
19. ✓ How do you intend to come up with cash to pay your current portion of long term debt in 2012 of \$1,609,702?
20. ✓ What is the new long term debt to RCM of \$ 95,000 in 2011? Is this new debt? If so what was it used for?
21. ✓ Has there been a loan or second mortgage taken on the park and if so how have the funds been used?

RENT CONTROL HEARING
HILLCREST MHC, LLC MOBILE HOME PARK
PETITION FOR RENT INCREASE

WEDNESDAY 4/25/12

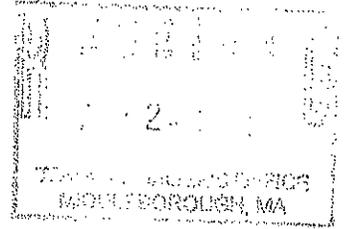
HILLCREST MOBILE HOME PARK
“TENANT’S ASSOCIATION” EXHIBITS

Hillcrest Tenants Assoc.
Exhibit # 1

HILLCREST MOBILE HOME PARK TENANTS ASSOCIATION

79 EAST GROVE STREET

MIDDLEBOROUGH, MA 02346



April 2, 2012

In Hand

Mr. Charles J. Cristello

Town Hall Building

10 Nickerson Avenue

Middleborough, MA 02346

Attn: Rent Control Board

Gentlemen:

The Tenants of Hillcrest Mobile Home Park received a copy of the Hillcrest MHC LLC's petition for a rent increase and we have many questions regarding said petition.

First, please note that the tenants have never said no to an increase in the past with the previous owner and we have anticipated one from the present owner. We understand costs go up and increases are inevitable. WE do however want to make sure that we receive what we pay for and that the increase is based on realistic accounting and facts.

The tenants respectfully request the Rent Control Board do a full review of the Petition and determine a fair increase based on the

actual conditions that the park has been in prior to this owner and note that conditions have not significantly changed in 10 years.

Our questions are as follows;

1. How was the fair market value determined? Property values have dropped almost in half in the past four years.
2. How much does a water meter actually cost and is it a capital expense?
3. A generator for \$803.08, what is it for, isn't it equipment not a capital improvement?
4. Do we actually have a full time manager? The current park manager, by her own admission to many of the residents, splits her between Hillcrest and the property owned by Morgan Management in Easton, MA. The cost of in park management has sky rocketed over the last for years from \$25,135.87 In 2008 TO \$6, 2190.83 for 2012. The service has not appeared to have changed any. Does a small park of 95 units really need a fulltime manager and are these costs excessive for the services we receive, a part time manger half here half in The Easton Park? If you include the Management fees of \$13,016.16 to the \$62,190.83, that's \$75,206.99 a year for minimal services. Each unit based on 95 units listed on their tenants list is paying \$65.00 per month in management fees. WOW!
5. A capitol expense for a printer of is it \$3030.57 or \$97.87 again does this qualify as a capitol expense?
6. What are card readers and what are they for? Are there 89 units, 95 units, 97 units?
7. Utility expenses, how does the water bill go from \$17k in2008to \$16k in2009 to \$48k in2010 to \$72k in 2012? Is the management

looking into the possibility of leaks that should be fixed? It is an old park with old pipes.

8. How did legal fees get so expensive? From 2008/\$164.00 to a projected \$19,180.00 in 2012. Telephone costs from \$997.00/2009 to \$8119.00 in 22012.
9. Under assets, what land improvements of \$1,624,993.98? What furniture and fixtures for \$5,668.06 we only know of the old furniture donated by the residents in the CLUB HOUSE that has no water or bath facilities), where is it? What building improvements of \$2073.63?
10. Has there been a loan or second mortgage taken on the park and if so where have the funds been used and for what?
11. When the owners propose any capital improvements, will they get a minimum of three bids and are the capital improvements to be separate from the rent? Rents subject to increase, capital improvements should be amortized and not subject to increases.
12. Is the house at the main entrance considered a part of the park? In the past the Rent Control Board considered it as separate from the park.

Hillcrest MHC LLC since taking ownership of Hillcrest Mobile Home Park in Middleborough Ma, has to date only over laid the main entrance area to the park and the rear exit area, taken down trees that posed a danger due to their being a liability from age and rot (posing the potential for personal and property damage), painted the mailbox canopy and repaired or replaced sewerage pumps as needed.

The electric meter boards that are old and needing replacement have not been fully addressed, driveways that are in poor condition have not been fixed or repaired and roads have only been cold patched here and there and are in very poor condition?

In the beginning the tenants were told things would change for the better, things would get done, so far we have seen only an expensive park manager and a lot of the same deferred maintenance that will only be more expensive the longer it is put off. How can the expenses increase so much and so little get done?

We do not have sidewalks, a modern meeting place with a bath room, modern up to date street lighting, big yards some do not have paved driveways or any drive way or any of the amenities some of the more expensive newer parks have. The tenants of Hillcrest do not expect what the bigger and more expensive parks have. We only want a safe environment to live in at a reasonable cost.

Hillcrest MHC LLC's petition for a rent increase from \$171.00 to \$332.00 is a 93% increase not including the \$12.00 tax per month, or any proposed Capital Improvements to be determined sometime in the future.

This may not seem like a lot to some people but when you factor in what has not been done for years, the conditions the park has been in for years, the excessive increases in management fees

(of which we feel we're getting part time services for full time costs), questionable capital expenses and assets this increase would seem to be excessive.

We the tenants of Hillcrest Mobile Home Park once again respectfully ask that the Rent Control Board to review the rent increase petition by Hillcrest MHC LLC thoroughly and the questions posed by the Tenants of Hillcrest to determine a fair and reasonable increase if warranted. Please include a full physical on site review of the conditions of the park to have a complete understanding of our concerns.

Thank you for your time and consideration of our concerns and questions.

The Hillcrest Mobile home Tenants Association

Associate President

Robert Capra

2 LSAA DR